

ORDINANCE NO. _____ - SERIES 2007

AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$2,725,000 INDUSTRIAL BUILDING TAXABLE CONVERTIBLE REVENUE BOND, SERIES 2007 (V.G. REED & SONS PROJECT) OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, THE PROCEEDS OF WHICH SHALL BE LOANED TO V.G. REED & SONS, INC. TO FINANCE THE ACQUISITION, INSTALLATION AND EQUIPPING OF AN INDUSTRIAL BUILDING TO BE LOCATED WITHIN THE CITY OF LOUISVILLE, KENTUCKY FOR USE IN AN ACTIVITY, BUSINESS OR INDUSTRY FOR THE MANUFACTURING, PROCESSING OR ASSEMBLING OF A COMMERCIAL PRODUCT; PROVIDING FOR THE PLEDGE OF REVENUES FOR THE PAYMENT OF SUCH BOND; AUTHORIZING A LOAN AGREEMENT APPROPRIATE FOR THE PROTECTION AND DISPOSITION OF SUCH REVENUES AND TO FURTHER SECURE SUCH BOND; AUTHORIZING A BOND PURCHASE AGREEMENT, TAX REGULATORY AGREEMENT AND ASSIGNMENTS; AND AUTHORIZING OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS.

Sponsored by: Councilman George Unseld

WHEREAS, the Louisville/Jefferson County Metro Government (the "Issuer"), by virtue of the laws of the Commonwealth of Kentucky, including Chapter 103 of the Kentucky Revised Statutes, is authorized and empowered among other things (a) to make a loan to assist in defraying the cost of the acquisition, installation and equipping of an "industrial building", as defined in § 103.200 of the Kentucky Revised Statutes, within the boundaries of the Issuer, (b) to issue and sell its negotiable revenue bonds to provide moneys for such loan and (c) to enact this Ordinance and execute and deliver the agreements and instruments hereinafter identified; and

WHEREAS, this Legislative Council (the "Issuing Authority") has determined and does hereby confirm that the acquisition, installation and equipping of the Project, as hereinafter defined, is a Project to be utilized by V.G. Reed & Sons, Inc. (the "Borrower"), for financial and commercial printing and document composition services, which Project will promote the welfare of the people of the Commonwealth of Kentucky, relieve conditions of unemployment, encourage the increase of industry in the Commonwealth of Kentucky, promote the economic welfare of the people of the Issuer, create or preserve jobs and employment opportunities and assist in the development of industrial activities to the benefit of the people of the Issuer, and that the Issuer, by assisting with the financing of the Project through the issuance of revenue bonds in the aggregate principal amount of \$2,725,000 (the "Series 2007 Bond") will be acting in the manner consistent with and in furtherance of the provisions of the laws of the Commonwealth of Kentucky, particularly Chapter 103 of the Kentucky Revised Statutes (the "Act");

NOW THEREFORE, BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (THE "COUNCIL"), AS FOLLOWS:

SECTION 1. Definitions. All defined terms used herein and those not otherwise defined herein shall have the respective meanings given to them in the Loan Agreement dated as of October 1, 2007 (the "Loan Agreement") between the Issuer and the Borrower.

Any reference herein to the Issuer or the Issuing Authority, or to any officers or members thereof, shall include those which succeed to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

Unless the context shall otherwise indicate, words importing the singular number shall include the plural number, and vice versa, and the terms "hereof," "hereby," "hereto," "hereunder," and similar terms, mean this Ordinance.

SECTION 2. Determination of Issuer. Pursuant to the Act, this Issuing Authority hereby finds and determines that the Project is an "industrial building" as defined in the Act and is consistent with the provisions of Sections 103.200 to 103.285 of the Act; that such industrial building consists of an industrial building suitable for use by the Borrower for financial and commercial printing and document composition services, as set forth in Section 103.200(1)(d) of the Act; and that such Project is to be acquired and financed with the proceeds of the Series 2007 Bond pursuant to the provisions of Sections 103.200 to 103.285 of the Act.

The Issuing Authority, as the "applicable elected representative" of the Issuer for purposes of § 147(f) of the Code, hereby approves the issuance of the Series 2007 Bond in the maximum aggregate face amount of \$2,725,000, the proceeds of which will be used to finance the Project as follows:

The Project consists of the acquisition, installation and equipping of equipment to be located at 1002 S. Twelfth Street, Louisville, Kentucky, to be owned by V.G. Reed & Sons, Inc., a Kentucky corporation, including without limitation, the acquisition and installation of a Heidelberg 8-color printer and associated equipment, for financial and commercial printing and document composition services, which constitutes an "industrial building" within the meaning of the Act.

SECTION 3. Authorization of Bonds. It is hereby determined to be necessary to, and the Issuer shall, issue, sell and deliver, as provided herein and pursuant to the authority of the Act, the Series 2007 Bond for the purposes of making a loan to the Borrower to finance the costs of acquiring, installing and equipping the Project, including costs incidental thereto and of the financing thereof, all in accordance with the provisions of the Loan Agreement. The Series 2007 Bond shall be designated "Industrial Building Taxable Convertible Revenue Bond, Series 2007 (V.G. Reed & Sons Project)." The maximum amount of Series 2007 Bond to be outstanding at any one time is \$2,725,000.

SECTION 4. Terms and Execution of the Bonds. The Series 2007 Bond shall be issued in the forms and denominations, shall be numbered, dated and payable as provided in the Bond Purchase Agreement hereinafter defined. The Series 2007 Bond shall mature as provided in the Bond Purchase Agreement, and have such terms, bear such interest, and be subject to mandatory and optional redemption as provided in the Bond Purchase Agreement. This Issuing Authority hereby fixes and establishes the interest rate in effect from time to time on the Series 2007 Bond in

the manner and pursuant to the provisions of the Bond Purchase Agreement. The Series 2007 Bond shall be executed on behalf of the Issuer by the manual or facsimile signature of its Mayor and Clerk, and the seal of the Issuer shall be impressed or printed on the Series 2007 Bond. In case any officer whose signature or a facsimile thereof shall appear on the Series 2007 Bond shall cease to be such officer before the issuance or delivery of the Series 2007 Bond, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until after that time.

The form of the Series 2007 Bond submitted to this meeting, subject to appropriate insertions and revisions in order to comply with the provisions of the Bond Purchase Agreement, is hereby approved, and when the same shall be executed on behalf of the Issuer by the appropriate officers thereof in the manner contemplated hereby and by the Bond Purchase Agreement, in the aggregate principal of \$2,725,000, shall represent the approved form of Series 2007 Bond of the Issuer.

SECTION 5. Sale of the Bonds. In accordance with a written request, addressed to the Mayor from the Borrower, that the sale of the Series 2007 Bond be made privately upon a negotiated basis, the Series 2007 Bond is hereby awarded to National City Equipment Finance, a division of National City Commercial Capital Company, LLC (the "Purchaser") at the purchase price set forth, and on the terms and conditions described, in the Bond Purchase Agreement with respect to the Series 2007 Bond (the "Bond Purchase Agreement") among the Issuer, the Borrower, the Purchaser and National City Bank, as servicing agent (the "Servicing Agent"). The Mayor and Clerk are authorized and directed to make on behalf of the Issuer the necessary arrangements to establish the date, location, procedure and conditions for the delivery of the Series 2007 Bond to the Purchaser, and to take all steps necessary to effect due execution and delivery to the Purchaser of the Series 2007 Bond (or temporary bond delivered in lieu of definitive Series 2007 Bond until its preparation and delivery can be effectuated) under the terms of this Ordinance, the Bond Purchase Agreement and the Agreement. It is hereby determined that the price for and the terms of the Series 2007 Bond, and the sale thereof, all as provided in the aforesaid documents, are in the best interests of the Issuer and consistent with all legal requirements.

SECTION 6. Arbitrage Provisions. As applicable, the Issuer will restrict the use of the proceeds of the Series 2007 Bond in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the Series 2007 Bond are delivered to the Purchaser, so that they will not constitute arbitrage bonds under § 148 of the Code. The Mayor or any other officer having responsibility with respect to the issuance of the Series 2007 Bond, is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer, employee, consultant or agent of the Issuer, to deliver a certificate for inclusion in the transcript of proceedings for the Series 2007 Bond, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to said § 148 of the Code and regulations thereunder.

SECTION 7. Authorization of Loan Agreement, Assignment, Bond Purchase Agreement, Tax Regulatory Agreement and All Other Documents to be Executed by the Issuer. In order to better secure the payment of the principal of, premium, if any, and interest on the Series 2007 Bond as the same shall become due and payable, the Mayor and Clerk are authorized and directed to execute, acknowledge and deliver in the name and on behalf of the Issuer, the Loan Agreement, Tax Regulatory Agreement, Assignment and Bond Purchase Agreement in substantially the forms

submitted to the Issuer, which are hereby approved, with such changes therein not inconsistent with this Ordinance and not substantially adverse to the Issuer as may be permitted by the Act and approved by the officers executing the same on behalf of the Issuer. The approval of such changes by said officers, and that such are not substantially adverse to the Issuer, shall be conclusively evidenced by the execution of such Loan Agreement, Assignment, Tax Regulatory Agreement and Bond Purchase Agreement by such officers.

The Mayor and Clerk are each hereby separately authorized to take any and all actions and to execute such financing statements, assignments, certificates, deeds and other instruments that may be necessary or appropriate in the opinion of Peck, Shaffer & Williams LLP, as Bond Counsel, in order to effect the issuance of the Series 2007 Bond and the intent of this Ordinance. The Clerk, or other appropriate officer of the Issuer, shall certify a true transcript of all proceedings had with respect to the issuance of the Series 2007 Bond, along with such information from the records of the Issuer as is necessary to determine the regularity and validity of the issuance of the Series 2007 Bond.

SECTION 8. Covenants of Issuer. In addition to other covenants of the Issuer in this Ordinance, the Issuer further covenants and agrees as follows:

(a) Payment of Principal, Premium and Interest. The Issuer will, solely from the sources herein or in the Bond Purchase Agreement or Loan Agreement provided, pay or cause to be paid the principal of, premium, if any, and interest on each and all Series 2007 Bond on the dates, at the places and in the manner provided herein, in the Bond Purchase Agreement or Loan Agreement and in the Series 2007 Bond.

(b) Performance of Covenants, Authority and Actions. The Issuer will at all times faithfully observe and perform all agreements, covenants, undertakings, stipulations and provisions contained in the Series 2007 Bond, Loan Agreement, Bond Purchase Agreement, Tax Regulatory Agreement and Assignment, and in all proceedings of the Issuer pertaining to the Series 2007 Bond. The Issuer warrants and covenants that it is, and upon delivery of the Series 2007 Bond will be, duly authorized by the laws of the Commonwealth of Kentucky, including particularly and without limitation the Act, to issue the Series 2007 Bond and to execute the Loan Agreement, the Assignment, the Tax Regulatory Agreement and the Bond Purchase Agreement, and all other documents to be executed by it, to provide for the security for payment of the principal of, premium, if any, and interest on the Series 2007 Bond in the manner and to the extent herein and in the Bond Purchase Agreement set forth; that all actions on its part for the issuance of the Series 2007 Bond and execution and delivery of the Loan Agreement, the Assignment, the Bond Purchase Agreement, the Tax Regulatory Agreement and all other documents to be executed by it in connection with the issuance of the Series 2007 Bond, have been or will be duly and effectively taken; and that the Series 2007 Bond will be valid and enforceable special obligations of the Issuer according to the terms thereof. Each provision of the Ordinance, the Assignment, the Loan Agreement, the Bond Purchase Agreement, the Tax Regulatory Agreement and each Series 2007 Bond, and all other documents to be executed by the Issuer in connection with the issuance of the Series 2007 Bond, is binding upon each officer of the Issuer as may from time to time have the authority under law to take such actions as may be necessary to perform all or any part of the duty required by such provision; and each duty of the Issuer and of its officers and employees undertaken pursuant to such

proceedings for the Series 2007 Bond is established as a duty of the Issuer and of each such officer and employee having authority to perform such duty.

SECTION 9. No Personal Liability. No recourse under or upon any obligation, covenant, acceptance or agreement contained in this Ordinance, or in any Series 2007 Bond, or in the Loan Agreement, the Assignment, the Tax Regulatory Agreement or the Bond Purchase Agreement, or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise, or under any circumstances, shall be had against any officer as such, past, present, or future, of the Issuer, either directly or through the Issuer, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to any holder of any Series 2007 Bond, or otherwise, of any sum that may be due and unpaid by the Issuer upon any of the Series 2007 Bond. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer, as such, to respond by reason of any act or omission on his or her part, or otherwise, for, directly or indirectly, the payment for or to the Issuer or any receiver thereof, or for or to the owner or any holder of any Series 2007 Bond, or otherwise, of any sum that may remain due and unpaid upon any Series 2007 Bond, shall be deemed to be expressly waived and released as a condition of and consideration for the execution and delivery of the Loan Agreement, Assignment, the Tax Regulatory Agreement and the Bond Purchase Agreement and the issuance of the Series 2007 Bond.

SECTION 10. No Debt or Tax Pledge. **THE BONDS ARE SPECIAL OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES, RECEIPTS, AND OTHER RESOURCES PLEDGED UNDER THE INDENTURE. THE BONDS DO NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, AN OBLIGATION, OR A LOAN OF THE CREDIT OF THE ISSUER, THE COMMONWEALTH OF KENTUCKY, OR ANY OTHER MUNICIPALITY, COUNTY, OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE COMMONWEALTH. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE COMMONWEALTH, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS PLEDGED OR COMMITTED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. THE BONDS DO NOT CREATE A MORAL OBLIGATION ON THE PART OF ANY OF THOSE GOVERNMENTAL ENTITIES WITH RESPECT TO PAYMENT OF THE BONDS.**

SECTION 11. Severability. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 12. Open Meetings Law. This Issuing Authority hereby finds and determines that all formal actions relative to the adoption of this Ordinance were taken in an open meeting of this Issuing Authority, and that all deliberations of this Issuing Authority and of its committees, if any, which resulted in formal action, were in meetings open to the public, in full compliance with applicable legal requirements.

SECTION 13. Effective Date. This Ordinance shall be in full force and effect from and after its passage, attestation and publication of a summary hereof.

INTRODUCED, SECONDED AND GIVEN FIRST-READING APPROVAL AT A DULY CONVENED MEETING OF THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, held on the _____, 2007.

GIVEN SECOND READING AND ADOPTED AT A DULY CONVENED MEETING OF THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, held on the _____, 2007 on the same occasion signed by the Mayor as evidence of his approval, attested by the Clerk, ordered and published and filed as required by law, and declared to be in full force and effect from and after its adoption and approval according to law.

Jerry Abramson
Mayor

Rick Blackwell
President of the Council

Date

Approved:

Kathleen J. Herron, Clerk

Date

APPROVED AS TO FORM AND LEGALITY:

Irv Maze
Jefferson County Attorney

By: James T. Carey
Assistant County Attorney

CERTIFICATE

I, Kathleen J. Herron, Metro Council Clerk, hereby certify that I am the duly qualified and acting Metro Council Clerk of the Louisville/Jefferson County Metro Government, that the foregoing Ordinance is a true copy of said Ordinance duly enacted by the Metro Council of said Metro Government, signed by the Mayor and President of the Council of said Metro Government, and attested under seal by me as Metro Council Clerk of the Metro Government, at a properly convened term and session of said Metro Council held on _____, 2007 as shown by the official records in my custody and under my control; that attached hereto are true copies of the documents approved therein, and that copies of such documents have also been duly filed and recorded in the official records of the Metro Government.

IN WITNESS WHEREOF, I have hereunder set my hand as Metro Council Clerk of the Louisville/Jefferson County Metro Government and the seal of the Metro Government this ____ day of _____, 2007.

Kathleen J. Herron, Clerk

[SEAL]